



DEPARTMENT OF INSURANCE, FINANCIAL
INSTITUTIONS AND PROFESSIONAL REGISTRATION

P.O. Box 690, Jefferson City, Mo. 65102-0690

INSURANCE BULLETIN 13-01

Health benefit plan renewal

Issued June 10, 2013

To: All insurers authorized to conduct health insurance business in Missouri.
All insurers delivering policies covering Missouri residents.
All producers and all other interested parties.

From: John M. Huff, Director

Re: Renewal time frames for health benefit plans

Rescinded and Inoperative

Recently, interested parties have inquired of the Department as to when health benefit plans can be renewed in Missouri. To promote consistent application and fairness in the marketplace, all interested parties are directed to the following statutory language:

... For purposes of this subsection, renewal shall be deemed to occur *not more often* than annually on the anniversary of the effective date of the group health plan's health insurance coverage unless a longer term is specified in the policy or contract.

[Section 376.452.5](#), RSMo, Supp. 2012, emphasis added, applicable to the large group market. Identical language is found in [§379.938.4](#), applicable to the small group market, and similar language is found in [§376.454.5](#), applicable to the individual market.



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P.O. Box 690, Jefferson City, Mo. 65102-0690

INSURANCE BULLETIN 13-02

Market Conduct Information Requests

Issued June 19, 2013

To: All insurers authorized to conduct insurance business in Missouri.
All insurers delivering policies covering Missouri residents.

From: John M. Huff, Director

Re: Market Conduct Information Requests

DIFP's Market Conduct Section has been contacted by multiple insurance company representatives indicating that they have received a request for information purporting to be from the Market Conduct Section of DIFP. The correspondence has been routed internally within the organization, often through multiple recipients. When asked the addressee name on the request, the representatives indicate the correspondence has been altered – in that the name of the insurance company and other identifying information have been whited out.

DIFP staff has determined these altered requests have **not** been initiated by DIFP but rather are being circulated within the insurance industry. This circulation of an altered request has resulted in industry confusion. Unfortunately, this circulation may result in companies providing information that has not been requested by DIFP and which the companies are not obligated to provide.

DIFP appreciates company efforts to fully comply with departmental requests; however, the DIFP wishes to clarify that companies should not respond to data calls or inquiries that are not specifically directed by DIFP to them.

If any company has questions regarding the authenticity of any request for information, particularly if the requests appear to have been altered in some fashion, please immediately contact the DIFP.



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P.O. Box 690, Jefferson City, Mo. 65102-0690

INSURANCE BULLETIN 13-03

Implementation of Senate Bill 159

Issued Aug. 28, 2013

To: All insurers authorized to conduct health insurance business in Missouri.
All insurers delivering policies covering Missouri residents.
All physical therapists and other interested parties.

From: John M. Huff, Director

Re: Implementation of SB 159

The provisions of Senate Bill 159 are effective as of Aug. 28, 2013. Senate Bill 159 enacted Section 376.1235, which provides as follows:

376.1235. 1. No health carrier or health benefit plan ... shall impose a co-payment or co-insurance percentage charged to the insured for services rendered for each date of service by a physical therapist ... that is greater than the co-payment or co-insurance percentage charged to the insured for the services of a primary care physician ... for an office visit.

In addition, the provisions of Section 376.1235 state:

2. A health carrier or health benefit plan shall clearly state the availability of physical therapy coverage under its plan and all related limitations, conditions, and exclusions.

This bulletin is for informational purposes only. Every health insurance carrier operating in this state, every health insurance carrier insuring Missouri residents, every physical therapist in this state and all other interested parties are strongly encouraged to review [this law](#) in its entirety to ensure compliance.



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INSURANCE BULLETIN 13-04

Implementation of House Bill 315

Issued Aug. 29, 2013

To: All insurers authorized to conduct health insurance business in Missouri.
All insurers delivering policies covering Missouri residents.
All other interested parties.

From: John M. Huff, Director

Re: Implementation of HB 315

The provisions of House Bill 315, as passed by the 97th Missouri General Assembly, were effective on Aug. 28, 2013. House Bill 315 enacted sections 376.1226 and 376.1237 related to health insurance, which include the following provisions:

376.1226. 1. No contract between a health carrier or health benefit plan and a dentist for the provision of dental services under a dental plan shall require that the dentist provide dental services to insureds in the dental plan at a fee established by the health carrier or health benefit plan if such dental services are not covered services under the dental plan

376.1237. 1. Each health carrier or health benefit plan that offers or issues health benefit plans which are delivered, issued for delivery, continued, or renewed in this state on or after January 1, 2014, and that provides coverage for prescription eye drops shall provide coverage for the refilling of an eye drop prescription prior to the last day of the prescribed dosage period without regard to a coverage restriction for early refill of prescription renewals as long as the prescribing health care provider authorizes such early refill, and the health carrier or the health benefit plan is notified ...

This bulletin is for informational purposes only. Every health insurance carrier operating in this state, every health insurance carrier insuring Missouri residents, and all other interested parties are strongly encouraged to review [this law](#) in its entirety to determine compliance.



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INSURANCE BULLETIN 13-05

Implementation of Senate Bill 262

Issued Aug. 29, 2013

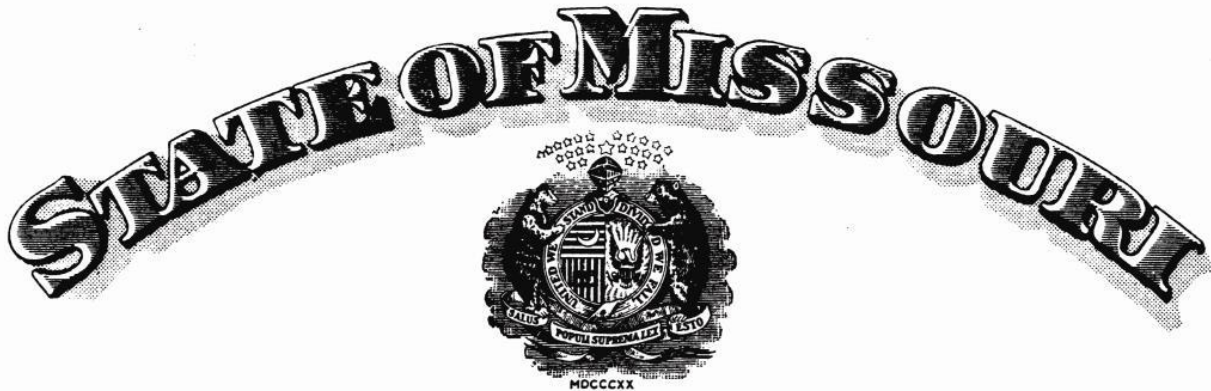
To: All insurers authorized to conduct health insurance business in Missouri.
All insurers delivering policies covering Missouri residents.
All other interested parties.

From: John M. Huff, Director

Re: Implementation of SB 262

Several provisions of Senate Bill 262, as passed by the 97th Missouri General Assembly, were effective on Aug. 28, 2013. Senate Bill 262 enacted several sections related to health maintenance organizations and health insurance. Specifically, Senate Bill 262 includes provisions related to HMOs and deductible plans, exclusive in-network plans, the individual and group policy form approval process, the Missouri Health Insurance Pool, actuarial analysis of certain health insurance mandates, utilization review procedure, credentialing of health care practitioners, the creation of the Missouri Oral Chemotherapy Parity Interim Committee, and acceptance into closed or exclusive health carrier networks.

This bulletin is for informational purposes only. Every health insurance carrier operating in this state, every health insurance carrier insuring Missouri residents, and all other interested parties are strongly encouraged to review [this law](#) in its entirety to determine compliance.



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P.O. Box 690, Jefferson City, Mo. 65102-0690

INSURANCE BULLETIN 13-06

Implementation of Senate Bill 62 (2011)

Issued September 24, 2013

To: All health carriers doing business in Missouri.
All producers and all other interested parties.

From: John M. Huff, Director

Re: Implementation and location of statutes administered by the DIFP within Senate Bill 62 (2011)

Please be advised, Senate Bill 62 (2011) enacted section 376.1190, which provides as follows:

1. Health carriers shall permit individuals to learn the amount of cost-sharing, including deductibles, copayments, and coinsurance, under the individual's health benefit plan or coverage that the individual would be responsible for paying with respect to the furnishing of a specific item or service by a participating provider in a timely manner upon the request of the individual. At a minimum, such information shall be made available to such individual through an internet website and such other means for individuals without access to the internet. As used in this section, the terms "health carrier" and "health benefit plans" shall have the same meanings assigned to them in section 376.1350.

2. This section shall not apply to a supplemental insurance policy, including a life care contract, accident-only policy, specified disease policy, hospital policy providing a fixed daily benefit only, Medicare supplement policy, long-term care policy, hospitalization-surgical care policy, short-term major medical policy of six months or less duration, or any other supplemental policy.

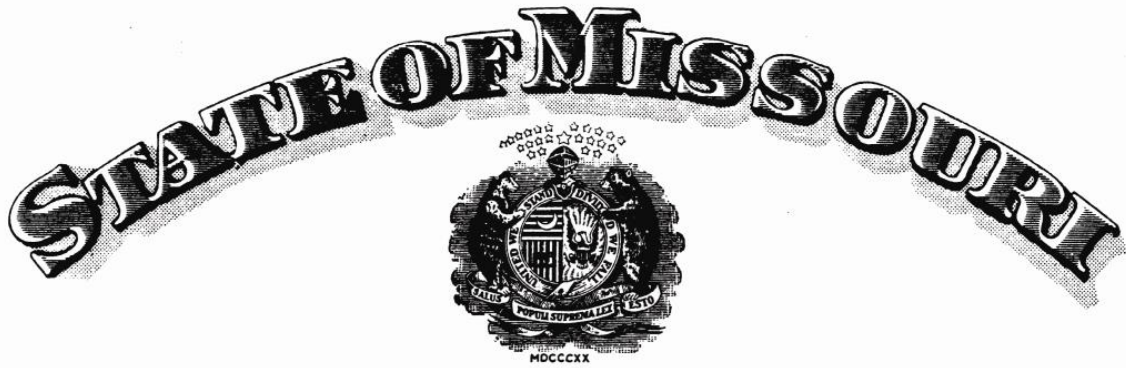
3. Any health care benefit mandate proposed after August 28, 2011, shall be subject to review by the oversight division of the joint committee on legislative research. The oversight division shall perform an actuarial analysis of the cost impact to private and public payers of any new or revised mandated health care benefit proposed by the general assembly after August 28, 2011, and a recommendation shall be delivered to the speaker and the president pro tem prior to mandate being enacted.

4. The provisions of subsections 1 and 2 shall become effective on January 1, 2014.

The Reviser of Statutes has divided the above-referenced statute into two separate and distinct statutes. Subsections 1, 2, and 4 can be found in the newly created section [376.446](#) while subsection 3 remains in section [376.1190](#).

Please be advised, section 376.446 becomes effective on January 1, 2014.

This bulletin is for informational purposes only. Every health carrier operating in this state, every health insurance producer, and all other interested parties are strongly encouraged to review this law in its entirety to ensure compliance.



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INSURANCE BULLETIN 13-07

CMS Coverage Continuation Options

Issued Nov. 21, 2013

Rescinded and Inoperative

To: All health carriers issuing health benefit plans in the individual and small group markets in Missouri

From: John M. Huff, Director

Re: CMS Transitional Policy

On Nov. 14, 2013, the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS), issued a letter describing a transitional policy under which health carriers would be permitted to continue coverage for individuals and small businesses that was in effect on Oct. 1, 2013, which would otherwise have been terminated or canceled for non-compliance with the Affordable Care Act's 2014 market reforms. The letter contained a notice condition, requiring carriers to provide certain notices to consumers in conjunction with such continued coverage.

Presently, the Department has not identified any Missouri insurance law that prohibits continuance of coverage as outlined in the CMS letter. Insurance representatives requested clarity about the Department's expectations related to this issue. This bulletin is intended to provide procedural guidance to health carriers that choose to implement the transitional policy outlined in the CMS letter.

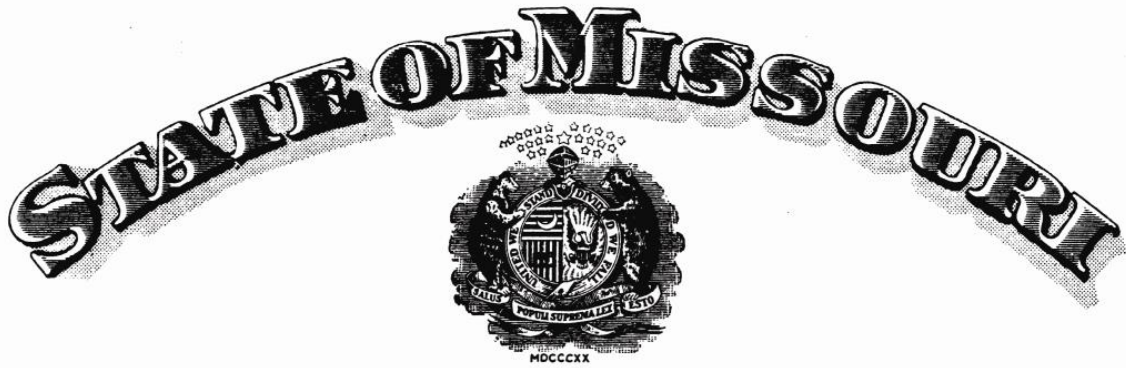
To ensure that consumers have as many product choices available to them as possible, and to allow adequate implementation time for health carriers, filings made by health carriers that choose to implement the transitional policy will receive expedited review by the

Department. Such filings will be processed in the System for Electronic Rate and Form Filing (SERFF) within 48 hours whenever possible. To receive the expedited review, health carriers should:

- Submit a filing consisting of the model notice as specified in the Nov. 14 letter and a list of policy forms, including form numbers, the company intends to continue using. The filing should be submitted under the appropriate Type of Insurance (TOI) code for the product.
- Provide a signed attestation stating that (1) no changes have been made to the previously approved form and (2) that the form is in compliance with all aspects of Missouri law.
- Include all items listed above as separate attachments under the Supporting Documentation Tab. No other forms or documents except those specifically identified above should be submitted with this filing.
- Clearly identify the filing as related to the “CMS Transitional Policy” under the General Description Tab.

Companies with special circumstances that may require modifications to previously approved forms or with any other questions regarding this expedited review process should contact the Life and Health Section, Division of Market Regulation, at 573-751-3365.

Rescinded and Inoperative



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P.O. Box 690, Jefferson City, Mo. 65102-0690

INSURANCE BULLETIN 13-08

Workers' Compensation Loss Costs

Issued December 20, 2013

Rescinded and Inoperative

To: Workers' compensation insurance providers

From: John M. Huff, Director

Re: Workers' compensation loss costs

The Missouri Department of Insurance recommends a lower increase to workers' compensation insurance loss costs than the recommendation by the National Council on Compensation Insurance. The Department recommends a 10.1 percent increase while NCCI's recommendation is 11.6 percent, effective Jan. 1, 2014.

The difference is based on NCCI's exclusion of Missouri Employers Mutual in its review and its claim expense estimates. Missouri Employers Mutual is the state's largest insurer for workers' compensation, with 17.75 percent of the market.

As part of its review of workers' compensation insurance rates, the Department of Insurance uses data from the NCCI. The NCCI is an insurance industry-funded group paid by workers' compensation insurers to develop advisory loss costs based on workers' compensation claim data. Insurers use loss costs to set their workers' compensation rates. Loss costs generally predict the average cost of lost wages and medical payments of workers injured on the job.

The NCCI estimates that Senate Bill 1, which was passed by the Missouri General Assembly earlier this year, will impact Missouri loss costs by raising them 3.8 percent to pre-fund second injury liabilities for claims previously reimbursed by the Second Injury Fund.

After reviewing NCCI's data and loss costs, the Department of Insurance calculates its own loss costs. Under Missouri law, insurers may set rates based on NCCI recommendations, the Department's calculation or their own actuarial analysis. Missouri law does not require insurers to change or increase their rates in 2014 because of the NCCI's recommendation.

Although the decline in claim frequency has abated in the most recent years, Missouri benefited from a 26 percent decrease in claim frequency from 2004 to 2011. The NCCI's proposed change in loss costs by industry group is shown below.

NCCI JANUARY 1, 2014, ADVISORY LOSS COSTS

Industry group	Largest decrease	Largest increase	Average change
Manufacturing	-12%	28%	8.3%
Goods and services	-7%	33%	12.5%
Contracting	-7%	33%	13.4%
Office and clerical	-11%	29%	9.1%
Miscellaneous	-6%	34%	13.7%
Total	-12%	34%	11.6%

Rescinded and Inoperative

The department's expectation for the 10.1 percent loss costs increase is based on the following differences from the NCCI's recommendations:

Use of voluntary market data	-0.7%
Claim expense costs	-0.8%
Total recommended change to NCCI's proposed 2014 loss costs	-1.5%

The NCCI 2014 loss cost filing along with DIFP's independent review of loss cost data is available on the [Department's website](#).



DIVISION OF WORKERS' COMPENSATION

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To: All Workers' Compensation Insurance Companies, Self-Insured Employers, Group Trusts, and Third-Party Administrators

From: Julie Gibson, Acting Director 
Missouri Department of Labor and Industrial Relations

John M. Huff, Director 
Missouri Department of Insurance, Financial Institutions and Professional Registration

Date: October 31, 2013

Subject: Workers' Compensation Administrative Tax, Administrative Surcharge, Second Injury Fund Surcharge, and Second Injury Fund Supplemental Surcharge for the 2014 Calendar Year

As required by Section 287.690, 287.715, and 287.716, RSMo., the State of Missouri shall impose a workers' compensation administrative tax, administrative surcharge, Second Injury Fund surcharge, and a Second Injury Fund supplemental surcharge. For calendar year 2014, the administrative tax will be 1.0 percent, the administrative surcharge will be 1.0 percent, the Second Injury Fund surcharge will be 3.0 percent, and the Second Injury Fund supplemental surcharge will be 3.0 percent.

Section 287.690, RSMo., authorizes the imposition of an administrative tax not to exceed two percent. Section 287.716, RSMo., authorizes the imposition of an administrative surcharge at the same rate as the administrative tax. The revenue from the administrative tax and the administrative surcharge is used to fund expenses associated with the administration of the Missouri Workers' Compensation law.

Section 287.715, RSMo., authorizes the imposition of a second Injury Fund surcharge that shall not exceed three percent. Effective January 1, 2014, Section 287.715.6, RSMo., authorizes the imposition of a Second Injury Fund supplemental surcharge not to exceed three percent. The Second Injury Fund supplemental surcharge may be collected for calendar years 2014 to 2021. The revenue generated by the Second Injury Fund surcharge and the Second Injury Fund supplemental surcharge is used to pay benefit and expense liabilities of the fund.

For more information about the functions and services of the Division of Workers' Compensation and the Second Injury Fund, visit <http://labor.mo.gov/DWC/>.

The Department of Labor and Industrial Relations and the Department of Insurance, Financial Institutions and Professional Registration look forward to working with you in 2014. If you have questions or need additional information, contact the Division of Workers' Compensation at 800-775-2667 or the Department of Insurance, Financial Institutions and Professional Registration at 800-394-0964.

*Missouri Division of Workers' Compensation is an equal opportunity employer program.
Auxiliary aids and services are available upon request to individuals with disabilities.*